

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 ARA-16 CIAE-00 DODE-00 INR-10 NSAE-00

PA-04 RSC-01 USIA-15 PRS-01 SP-03 EB-11 COME-00

TRSE-00 OMB-01 MC-02 XMB-07 DRC-01 /098 W

----- 080373

R 262122Z APR 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 3310

INFO AMCONSUL MONTREAL

MCONSUL TORONTO

UNCLAS OTTAWA 1244

E.O. 11652: N/A

TAGS: ESTC, CA, CU

SUBJECT: EXPORT DEVELOPMENT CORPORATION (EDC) LOAN
FOR RAILWAY EQUIPMENT SALES TO CUBA

1. FOLLOWING IS TEXT OF APRIL 25 EDC NEWS RELEASE:

BEGIN VERBATIM TEXT:

CANADA'S EXPORT DEVELOPMENT CORPORATION WILL
LEND \$17.9 MILLION DIRECTLY TO THE NATIONAL
BANK OF CUBA TO SUPPORT THE SALE OF CANADIAN
RAILWAY EQUIPMENT TO CUBA, THE HONORABLE ALASTAIR
GILLESPIE, MINISTER OF INDUSTRY, TRADE AND
COMMERCE ANNOUNCED TODAY.

THE EDC LOAN AGREEMENT WAS SIGNED FOLLOWING
THE SUCCESSFUL NEGOTIATION AND SIGNING OF
COMMERCIAL CONTRACTS BETWEEN TWO CANADIAN
EXPORTERS AND THE CUBAN STAT AGENCY RESPONSIBLE
FOR THE IMPORTATION OF RAILWAY EQUIPMENT.
THE EDC OFFER OF FINANCING TO CUBA ON BELHALF
OF THE CANADIAN EXPORTERS WAS MADE LAST
JANUARY.

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THE CUBAN BUYER WILL MAKE AN INITIAL PAYMENT IN CONNECTION WITH THE PURCHASE OF THE RAILWAY EQUIPMENT FROM CANADA. THE \$17.9 MILLION LOAN, THE FIRST MADE BY EDC TO A CUBAN BORROWER, WILL COVER THE BALANCE OF THE SALE PRICE OF 30 DIESEL LOCOMOTIVES AND SPARE PARTS VALUED AT \$15.2 MILLION TO BE SUPPLIED BY MLW-WORTHINGTON OF MONTREAL, AND RAILWAY CONSTRUCTION AND MAINTENANCE EQUIPMENT INCLUDING TAMPING MACHINES, BALLAST EQUALIZERS AND BRUSH CUTTERS VALUED AT \$4.2 MILLION TO BE SUPPLIED BY CANRON LIMITED, ALSO OF MONTREAL.

THE CANADIAN LOCOMOTIVES AND EQUIPMENT WILL CONSTITUTE THE FIRST STAGE OF A PLANNED RENOVATION OF THE CUBAN RAILWAY SYSTEM. DELIVERY OF THE LOCOMOTIVES AND TRACK CONSTRUCTION AND MAINTENANCE EQUIPMENT WILL BE COMPLETED IN 1975.

END VERBATIM TEXT.

2. CANADIAN PRESS (CP) ITEM CARRIED IN APRIL 26 MONTREAL GAZETTE REPORTS EDC OFFICIALS' STATEMENT THAT AGREEMENT IS THE FIRST SUCH COMMERCIAL ARRANGEMENT NEGOTIATED BETWEEN CUBA AND ANY NORTH OR SOUTH AMERICAN COUNTRY SINCE FIDEL CASTRO ASSUMED POWER IN 1959. CP ALSO QUOTES GILLESPIE AS SAYING "THIS IS A MEMORABLE BUSINESS DEAL," AS HE SIGNED AGREEMENT WITH CUBAN AMBASSADOR IN OTTAWA.
PORTER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, CONSTRUCTION EQUIPMENT, STRATEGIC TRADE CONTROLS, RAILROADS, BANK LOANS, LOAN AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OTTAWA01244
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740100-0388
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740411/aaaaajbp.tel
Line Count: 94
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 29 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 APR 2002 by kellerpr>; APPROVED <29 APR 2002 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXPORT DEVELOPMENT CORPORATION (EDC) LOAN FOR RAILWAY EQUIPMENT SALES TO CUBA
TAGS: ESTC, CA, CU
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005